

FISCAL NOTE

HB 2936 - SB 3149

February 19, 1998

SUMMARY OF BILL: Broadens the telecommunication sales and use tax exemptions to include charges for access or use of the Internet. The bill also broadens the definition of WATS service to include a service dedicated to long-distance communication for which a special contract charge is made, but does not require a dedicated line. The current law applies sales tax to Internet access charges as well as to discounted long distance service.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$12,000,000

Decrease Local Govt. Revenues - Exceeds \$4,500,000

Assumes a decrease in state and local sales tax collections.
This estimate is based on an average annual tax assessment of \$16,500,000 and assumes an average local sales tax rate of 2.25%.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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